

National Aeronautics and
Space Administration

John H. Glenn Research Center
Lewis Field
Cleveland, OH 44135-3191



Source Selection Statement

Administrative, Computational, and Engineering Services Contract

(NNC13ZCH020J)

Procurement History/Description

The NASA Glenn Research Center (GRC) has a requirement for the Professional, Administrative, Computational, and Engineering Services Contract (PACE IV). The services include computer science, computer software engineering, IT security, networking, application development and web services. NASA GRC uses these services and capabilities in a variety of technical and business specialties including Planning and Integration; Applications Support; Content Management and Collaboration Services; Enterprise Services; Multimedia Services; IT Security Services; Specialized Information Systems; and Customer Experience and Engagement.

The services to be provided will generally be performed at the GRC's Lewis Field, in Cleveland, Ohio. This requirement is a follow-on contract to the Professional, Administrative, Computational, and Engineering Services (PACE III) contract NNC08BA09B.

To accomplish this requirement the Government anticipates a Cost-Plus Fixed-Fee contract. The contract will include a base work effort with an indefinite-delivery/indefinite-quantity (IDIQ) portion. The base period of performance is 20 months with an additional option of 24 months and a second option of 16 months.

The RFP was issued May 17, 2013 as a Small Business set-aside under NAICS Code 541519. Various amendments were issued which revised the solicitation requirements. The RFP required that the proposals be submitted in three volumes: Volume I - Mission Suitability; Volume II - Relevant Experience/Past Performance; and Volume III - Cost/Price. All volumes were due to the Government on June 28, 2013. Proposals were received from the following six companies:

- Gaver Technologies, Inc. (GTI)
- Peerless Technologies Corporation
- Sevatec, Inc.
- Innovim, LLC
- SDSE, LLC
- VMD Systems Integrators, Inc.

Evaluation Procedures

As provided in Section M of the RFP, proposals were evaluated according to three factors. The

evaluation factors were Mission Suitability, Relevant Experience and Past Performance, and Cost/Price. Moreover, the RFP also stated that, in terms of relative importance, the Mission Suitability Factor is approximately equal to the Past Performance factor, which is approximately equal to the Cost/Price Factor. The RFP stated that the Government intends to award a contract or contracts resulting from this solicitation to the responsible Offeror(s) whose proposal(s) represents the best value after evaluation in accordance with the factors and sub-factors in the solicitation.

Pursuant to the Mission Suitability Factor, the proposals were evaluated to assess the ability of the Offeror to provide and administer the requirements of the Statement of Work (SOW). Each proposal received a Mission Suitability score based on the following subfactors and corresponding numerical weights:

<u>Mission Suitability Subfactor</u>	<u>Assigned Weight</u>
Technical Requirements	450
Management Plan	350
Work Management	200
Total	1,000

Mission Suitability Factor and Subfactors were evaluated, assigned an adjective rating, and scored numerically. The adjectival ratings used the following scale: Excellent, Very Good, Good, Fair, and Poor.

Relevant Experience and Past Performance was not numerically scored, but received a level of confidence rating as indicated in the RFP. Offerors were evaluated by the SEB for recent and relevant experience and performance. The past performance was rated using a Level of Confidence including: Very High Level of Confidence, High Level of Confidence, Moderate Level of Confidence, Low Level of Confidence, Very Low Level of Confidence, or Neutral.

The Cost/Price factor was evaluated in accordance with FAR 15.305(a)(1), FAR 15.404, NFS 1815.305(a)(1)(B) and (a)(3)(B), and NFS 1815.404. The SEB performed a cost realism analysis of each proposal. Based on this cost realism analysis, the SEB determined the probable cost of performance for each Offeror which reflects the Government's estimate of the cost that will most likely be incurred by the Government.

Initial Evaluation of Proposals

All six of the proposals that were submitted in response to the solicitation were determined to be initially acceptable and were evaluated in accordance with FAR Part 15, the NASA FAR Supplement (NFS), as well as the RFP. All three Evaluation Factors, as mentioned above, were evaluated. The results of the initial evaluation were presented to me, the Source Selection Authority (SSA), on October 31, 2013. Based on the information presented, a decision was

made to reduce the number of offers to a Competitive Range and hold discussions. The Competitive Range included the highest rated Offerors. The Offerors were:

- Gaver Technologies, Inc
- Peerless Technologies Corporation
- Innovim, LLC
- Sevatec, Inc.

Discussions

On November 7, 2013, the Government entered into discussions with the four Offerors included in competitive range. The Offerors were provided their individual weaknesses, questions, concerns and comments relative to their proposals. Each Offeror was provided with a follow-up opportunity to discuss these items. Additional direction and clarification regarding the Basis Of Estimate (BOE) for the cost volume was provided. At the conclusion of discussions, each Offeror was provided an opportunity to provide an updated proposal. Interim proposals were requested on November 27, 2013, and were then reviewed by the SEB members. Discussions were closed December 23, 2013. Each Offeror was ultimately requested to confirm the interim proposals as their final proposal.

Evaluation Results

Gaver Technologies, Inc. (GTI)

Mission Suitability 876/1,000 (Very Good)

The Technical Requirements subfactor was rated “excellent.” The proposal received 5 Significant Strengths in the technical requirements subfactor. The proposal received significant strengths for its proposed critical disciplines, skills and techniques to effectively implement the SOW requirements, its proposed highly innovative processes and insightful technology trends report that will potentially reduce costs and risk, its in-depth understanding and innovative approach to IT Security (ITS), with collaboration among key stakeholders and incorporation of best practices into the implementation, and its Applications Development scenario responses, which demonstrated substantial insight into technology migration and upgrades for this high visibility component of the OCIO mission.

The Management Plan subfactor was rated “very good.” The proposal received a significant strength for its strategic subcontracting agreements with highly-qualified companies, which will greatly impact the potential for successful contract performance. The proposal also received strengths in the Management Plan subfactor for its risk management process being incisive in its training and definition of roles and responsibilities; its approach to ensure continuity of operations and for an effective plan for training and mentoring which leverages subcontractor’s mentor/protégé relationship.

The Work Management subfactor was rated “very good.” The proposal received Strengths for its tailored WMS with numerous user-friendly features and an intuitive and flexible reporting system, and its innovative and efficient approach to tracking software licenses, as well as re-use of software licenses and hardware.

No weaknesses were identified.

Relevant Experience and Past Performance Evaluation: High Level of Confidence

The proposal received a Strength for its team's relevant experience in IT contracts similar in scope and nature to the contemplated effort. The Offeror's team had relevant experience in all areas of the SOW on IT contracts that will reduce risks on contract performance. The proposal received a Significant Strength for excellent past performance on IT contracts considered relevant to the anticipated effort. The Offeror's PPIRS and PPQs provided evidence that past performance was executed at a very high level, increasing confidence of successful contract performance on PACE IV.

Cost/Price Evaluation

A probable cost analysis was performed. Based on downward adjustments associated with labor rates, an overall downward adjustment was made to the proposed costs to arrive at the probable cost. The IDIQ rates were considered reasonable. The final probable cost was slightly higher than that of the successful Offeror.

Peerless Technologies Corporation

Mission Suitability 825/1,000 (Very Good)

The Technical Requirements subfactor was rated "very good." The proposal received a Significant Strength for its Applications Development scenario response with demonstrated insight into the challenges of the scenario requirements in the technical requirements subfactor. The proposal also received 2 Strengths, including a proven approach to accomplishing the requirements in highly critical areas of the SOW, with technical insight into meeting the requirements of the SOW through the disciplines, skills, and techniques proposed for Specialized Information Systems, and its demonstrated in-depth understanding and effective approach to addressing the IT Security scenario.

The Management Plan subfactor was rated "very good." The proposal received 2 Significant Strengths. One was for its detailed and comprehensive approach to providing a well-balanced organizational structure with alignment and clear lines of communication among the OCIO organizational structure, the core work areas, key personnel, and other GRC organizations supported, providing processes for continuous improvement and "Voice of the Customer" database, and shared resource pooling through Integrated Program Teams. The other significant strength was for proposing a significantly effective approach to phase-in with a low-risk and low-cost approach to assuming full contract responsibility. Peerless also received strengths in the Management Plan for a comprehensive staffing plan (including highly specialized personnel), recruitment, and training that can rapidly provide qualified personnel on short notice effectively and with reduced risk; a detailed and comprehensive approach to ensure qualified backups for all key personnel by naming specific individuals with relevant experience to assume responsibilities

in the absence of key personnel, which appreciably enhances the potential for successful contract performance; and, for assembling an experienced and effective team with a demonstrated understanding of GRC's OCIO customer environment.

The Work Management subfactor was rated "very good." The proposals received Strengths in WMS/IDIQ Work Management for a fully developed and operational WMS that exceeds schedule expectation and an innovative and efficient approach for preparing procurements and complying with federal regulations by implementing an innovative approach for managing procurements which will increase efficiencies, reduce risks and maintain compliance within the FAR.

No weaknesses were identified.

Relevant Experience and Past Performance Evaluation: High Level of Confidence

The proposal received a Significant Strength for highly relevant experience on large NASA IT contracts similar in scope and nature to the contemplated effort. The Offeror's Team had significant relevant experience in all areas the SOW and a Strength for demonstrated successful past performance on contracts of similar content and complexity. By having demonstrated successful past performance, the Offeror has shown to have experience that will reduce risks.

Cost/Price Evaluation

A probable cost analysis was performed. Based on a slight upward adjustment to the proposed costs in labor, an overall upward adjustment was made in the proposed costs to arrive at the probable costs. The IDIQ costs were adjusted downward for a formula error in excel.

Innovim, LLC

Mission Suitability 691/1,000 (Good)

The Technical Requirements subfactor was rated "good." The proposal received Strengths for a thorough understanding of the SOW by proposing the critical disciplines, skills and techniques needed to implement the SOW requirements in the areas of Enterprise Architecture, collaborative computing, knowledge management, data analytics, and the User Assistance Team (UAT) staffing. The proposals response to the Applications Development scenario demonstrated its ability to manage resources, as well as minimize risks and schedule impacts. The proposal received a Weakness for the Data Systems scenario response which failed to demonstrate an understanding of key elements of the GRC experimental facilities environment.

The Management Plan subfactor was rated "good." The proposal received 3 Strengths for an effective and complete approach to risk management; a comprehensive plan for recruitment and training; and a planned use of strategic subcontracting agreements.

The Work Management subfactor was rated "good." The proposal received a Strength for an innovative and efficient approach to vendor management and a proposed one-day turnaround for

procurement quotes by implementing a tool which integrates cost, scheduling, and TO relationships and minimizes data redundancy.

Relevant Experience and Past Performance Evaluation: Moderate Level of Confidence

The proposal received a Strength for its relevant experience in IT contracts similar in scope and nature to the contemplated effort and for its demonstrated successful past performance on large IT contracts of similar content and complexity.

Cost/Price Evaluation

A probable cost analysis was performed. Based on a downward adjustment associated with labor rates, an increase for a subcontractor error, an overall downward adjustment was made to the proposed costs to arrive at the probable cost. The final probable costs were moderately higher than the successful Offeror.

Sevatec, Inc.

Mission Suitability 640/1,000 (Good)

The Technical Requirements subfactor was rated “good.” The proposal received a Strength for a technically sound Applications Development scenario response with demonstrated insight into technology utilization and infusion for this core work area; and for an effective and innovative approach to Data Systems scenario. The proposal also received a weakness for IT Security (ITS) scenario response because it failed to demonstrate an understanding of personally identifiable information (PII) breach, ITS training, and information protection as required.

The Management Plan subfactor was rated “good.” The proposal received 3 Strengths for a comprehensive identification of critical/high risk areas of the SOW with detailed mitigation strategies; a comprehensive plan for staffing, recruitment, and training that adjusts skill mix to meet changing requirements and reduces risk; and for especially effective and comprehensive approach to adjusting skill mix, training, and development of employees; and for proposing a knowledgeable subcontractor team to accomplish the requirements of the SOW.

The Work Management subfactor was rated “good.” The proposal received a Strength for an effective and complete Vendor Management approach. Having in-place vendor alliances and a clearly-identified procurement process is considered a very effective approach for cost containment, cost savings, risk reductions and efficiencies and will provide for quick turn-around when procuring products and services. A Weakness was identified for not demonstrating it could provide a user-friendly WMS with adequate reporting capability and for proposing a manual process to manage tasks during phase-in.

Relevant Experience and Past Performance Evaluation: Moderate Level of Confidence

The proposal received a Strength for its relevant experience in IT contracts similar in scope and nature to the contemplated effort and a Strength for its demonstrated successful past performance on large IT contracts of similar content and complexity.

Cost/Price Evaluation

A probable cost analysis was performed. Based on a slight upward adjustment to the proposed labor costs, an overall upward adjustment was made to the proposed costs to arrive at the probable costs. The IDIQ rates were considered reasonable. The final probable cost was significantly higher than that of the successful Offeror.

In summary, the proposals ratings were as follows:

Offeror	Mission Suitability Rating and Score	Relevant Experience and Past Performance	Probable Cost
GTI	876 (Very Good)	High Level of Confidence	Slightly higher probable cost
Peerless	825 (Very Good)	High Level of Confidence	\$108,467,032
Innovim	691 (Good)	Moderate Level of Confidence	Moderately higher probable cost
Sevatec	640 (Good)	Moderate Level of Confidence	Significantly higher probable cost

Presentation of Findings

On January 15th, a meeting was held with the Source Selection Authority to present the evaluation results. Attendance at the meeting included the SEB and key GRC management officials. During the meeting, detailed SEB findings were presented and discussed.

On January 16th, a follow-up executive session was held with the SSA, the SEB Chairperson, and key GRC management officials. During the executive session, the SEB findings were further discussed among those in attendance.

Selection Decision

Based on the information presented, I understand the process used by the SEB and accept the findings and evaluation results. I understand the relative weighting of the evaluation Factors as set forth in the RFP. I also understand that, in accordance with the RFP evaluation procedures, I am to select the Offeror that I believe will perform the contract in a manner most advantageous to the Government. In short, I will choose the offer that provides the best value to the Government.

The day before the actual SEB presentation, I was provided the complete SEB presentation and reviewed the material prior to the presentation. At the start of the presentation, I asked the SEB Chair to focus the presentation on the findings of Peerless and GTI because I considered these

two proposals to be superior in all three evaluation Factors to the proposals of Sevetec and Innovim.

Specifically, in the area of Mission Suitability, the proposals of Sevetec and Innovim did not offer the Government any qualitative advantages over the higher rated offers of Peerless and GTI in meeting the technical and management requirements of the contract. In the area of Relevant Experience and Past Performance, the two proposals (Sevetec, Innovim) were rated one level lower and provided no meaningful advantages over Peerless and GTI. In the area of Cost/Price, the proposals (Sevetec, Innovim) had higher calculated probable costs than that of Peerless and GTI.

In my evaluation of the SEB's record, I did not find the necessary value in these companies' Mission Suitability approaches or demonstrated Relevant Experience and Past Performance to warrant the increased calculated probable cost. In other words, I was not convinced that either Sevetec or Innovim's proposal demonstrated the ability to perform the contract in a manner most advantageous to the Government. Therefore, while I considered all four companies in my selection decision, I will concentrate in this selection decision document on my evaluation of the two highest rated proposals (Peerless, GTI) in all three evaluation factors.

Relative to the Peerless and GTI proposals, I first considered the two proposals pursuant to the Mission Suitability Factor. In comparing the relative merits of each proposal, I understand that both proposals received an overall adjective rating of "very good," with GTI having a slightly higher overall point score.

Both proposals received numerous Significant Strengths and Strengths findings while having no weaknesses in this Factor. I agree with the SEB's results and determined that both proposals provided very good approaches to meeting the requirements of the RFP. GTI's proposal scored higher in the Technical Requirements subfactor while the Peerless proposal scored higher in the Management Plan subfactor.

In considering the SEB's findings regarding GTI's proposed approaches in the Technical Requirements subfactor, I initially agreed with the board's observation that the proposal provided several innovations and insights. However, after extensive discussions with the SEB regarding these Significant Strength findings, there existed offsetting considerations which made me question the overall impact of the Findings.

For example, the GTI proposal received a Significant Strength for, in part, its offer to conduct at least three separate technical studies within the first 90 days of contract initiation. These proposed studies could lead to more effective and efficient operations in areas such as datacenter migration and better insight into IT investments. I acknowledge the potential benefits of such an analysis. However, the costs to implement any potential new approaches arising from the studies were not adequately discussed or accounted for in the proposal. When I consider the extreme budget pressures currently facing NASA GRC, I'm concerned with the ability of the Center to benefit from the innovations presented in the GTI proposal because the implementation costs associated with any recommendations stemming from the studies are completely unknown.

In another Significant Strength, GTI was praised for its proposed approach to keeping the NASA GRC Office of Chief Information Officer (OCIO) informed and up-to-date on the latest cutting edge IT innovations in the industry. Again, I agree with the SEB's finding that there is merit in such an approach, but I continue to have concerns that the Center cannot fully benefit from this innovation considering our budget may not permit the implementation of cutting edge innovations.

On the other hand, after reviewing the Peerless proposal in the Technical Requirements subfactor, I agreed with the SEB's findings indicating that Peerless demonstrated an insightful and in-depth understanding of several critical SOW areas. I was particularly impressed with the finding regarding the proposed dedicated procurement team for data systems support which will ensure that the appropriate hardware and software get to the Center's experimental facilities.

Summarizing the technical requirements subfactor, I acknowledge the potential benefits stemming from the GTI proposal. However, considering the unknown implementation costs, I find them of relatively lesser value to the Government because I do not have high confidence that the innovations could be implemented. Based on this, I believe that the quantitative difference between the two Offerors is immaterial.

I next turned to discussing and considering the two proposals' merits in the Management Plan subfactor. In this subfactor, Peerless received more points than GTI. However, rather than concentrate on the numerical difference, I directed my questions and thoughts on understanding the qualitative differences in the two approaches.

I agreed with the SEB's findings of 2 Significant Strengths Peerless received in this area. I was very impressed with each one. The first Significant Strength involves the Offeror's organizational structure. In particular, I agree with the SEB's analysis that Peerless offers an exceptional organizational approach that closely aligns with the NASA GRC organizational structure. Moreover, I agree that the proposed approach will offer the Government a significant advantage because the well-formulated organizational structures and processes will ensure an efficiently managed and performed PACE IV contract.

I was also impressed with the proposed customer feedback mechanism that will support the Center's initiative to better understand the needs of the IT customer base at NASA GRC. I considered this Significant Strength finding to have meaningful qualitative merit and be a discriminator in my selection decision. The agency and Center OCIO organization are currently undergoing numerous strategic and budgetary challenges. In the current environment, it's imperative that the PACE IV contractor be closely aligned with the Center's organizational structure and management approach. By proposing an organizational structure that mirrors the Government's own structure, Peerless has demonstrated a keen understanding of the Center's requirements and culture that will lead to successful contract performance.

I also considered the Significant Strength Peerless received for its proposed phase-in plan to be a key discriminator in my selection decision. The board awarded the proposal a Significant Strength for its proposed low-risk and highly realistic plan to complete phase-in of the PACE IV contract in 30 days rather than the 60 day requirement in the SOW. I agreed that the Peerless

approach will ensure a seamless transition to the PACE IV contract. The Peerless approach leaves the final 30 days of phase-in for dealing with contingencies and potential unexpected issues associated with the new contract start-up. By building in a realistic buffer of 30 days, the proposed approach ensures that the Center will have no systemic problems upon full contract initiation. NASA GRC is currently undergoing a reorganization involving several of its research and business directorates. In addition, several of the Agency's IT contracts are currently experiencing significant management and technical challenges. In this environment, the PACE IV contract must ensure a smooth transition from the current contract to the new contract. Peerless' proposed approach offers considerable advantages toward that end.

I then considered GTI's findings in this subfactor. I agreed with SEB's findings in this area and spent considerable time discussing the Significant Strength regarding planned use of subcontracting agreements. GTI's proposed subcontractors are recognized experts in their respective fields with appropriate roles in the PACE IV effort. After considering all of the board's findings and thoughts, I agreed that GTI offered a very good proposal in this subfactor. However, I did not consider any of the GTI findings in this subfactor to be of the same qualitative merit as the findings associated with the Peerless proposal.

In summary, I was impressed with both companies' proposals in the Mission Suitability Factor. I agreed with the SEB's findings for each of the proposals. However, I considered GTI's slight point advantage in the Technical Requirements subfactor merely quantitative rather than a meaningful qualitative differentiator because of the uncertainties associated with potentially implementing several of the innovative concepts. On the other hand, I was particularly impressed with the Significant Strengths that Peerless received for its organizational structure and phase-in plan under the Management Plan subfactor. I considered these findings to have significant qualitative value for the Government for the reasons discussed above. While I consider both proposals fully capable of performing the work effort, as I discussed above, I find greater advantage in the Management Plan of the Peerless proposal and therefore consider them to have a slight advantage in this area.

For the Relevant Experience and Past Performance Factor, I understand that both GTI and Peerless received ratings of "High Level of Confidence." The findings associated with Team Peerless, demonstrated highly relevant past performance in all areas of the PACE IV anticipated effort and a successful performance history on these relevant contracts.

First, I discussed the Strength awarded to Team Peerless with the SEB. In particular, we discussed the two marginal performance reports given to their major subcontractor. I agreed with the board's opinion that these prior instances would not likely impact contractor performance on PACE IV and did support the finding of a Strength rather than a higher finding. I also understand that the proposed major subcontractor, DB Consulting, provided exceptional performance on the current PACE III contract. I consider this performance an important discriminator because it reflects excellent work on PACE III, which is directly applicable to the PACE IV work that DB Consulting is proposed to perform. In addition, the company demonstrated successful performance on other contracts as reflected in client questionnaires and the Agency's PPIRS database.

The findings associated with Team GTI indicate relevant past performance in all areas of the PACE IV anticipated effort. I understand the Significant Strength of Team GTI's performance on relevant contracts. In further discussion of the strength of Team GTI under contract relevancy, I understand that GTI has limited experience as a prime contractor and this supports the finding of a Strength rather than a higher finding. I concur with this finding.

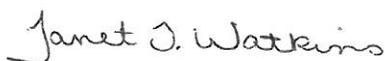
In summary, I agree with the SEB's results that both proposals received a "High Level of Confidence" in the Relevant Experience and Past Performance Factor. This rating is a strong indicator of successful performance going forward. However, I consider the highly relevant experience of Team Peerless and the direct experience and overall successful performance of its major subcontractor on PACE III to provide a slight edge to the Peerless proposal in this area.

In the Cost/Price Factor, I noted that GTI was significantly higher than Peerless in proposed cost. However, after the SEB's cost realism analysis and associated adjustments, the proposals are approximately 2.5% apart in probable cost with Peerless being the lower of the two proposals. I asked several detailed questions regarding each offeror's proposed cost information and the SEB's cost realism analysis, including the cost adjustments and the final probable cost calculation. In summary, I am satisfied that the SEB performed reasonable adjustments to the proposed costs and I understand the cost information. The probable costs for the two proposals are almost equal with a slight advantage to Peerless based on its slightly lower probable cost.

In my final considerations, I understand that the three evaluation Factors are approximately equal in importance, and the Mission Suitability Factor plus the Past Performance Factor, when combined, are significantly more important than Cost/Price.

For the reasons stated above, I have determined that the Peerless proposal offered slight advantages in each of the three evaluation Factors and therefore represents the best value to the Government. I find the Offeror fully capable to perform PACE IV in a manner most advantageous to the Government.

I therefore, select Peerless, Inc., to be awarded the PACE IV contract in the proposal amount of \$110,697,551 for the effort as outlined in the Request for Proposal NNC13ZCH020J.



Janet Watkins

Source Selection Authority

Concurrence:



Mark Manthey

Acting Procurement Officer

